

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
DECEMBER 18 & 19, 2002**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on December 18, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present were: Aubrey Davis, Ed Barnes, Elmira Forner, George Kargianis, A. Michèle Maher, Chris Marr and Connie Niva.

OFFICE OF THE SECRETARY REPORT

Secretary MacDonald expressed his thanks to John Okamoto, Assistant Secretary Northwest Division, for his tenure and contributions to the Department. He also thanked Mr. Okamoto for his personal assistance to him in his transition as Secretary to the Department. Due to budgetary restraints there has been modest adjustments to the organizational structure to compensate for the departure of Mr. Okamoto. Commissioner Niva concurred with Secretary MacDonald's remarks regarding Mr. Okamoto.

Secretary MacDonald stated that the Department has begun to implement the RIF (Reduction in Force) process. There have been 59 FTE (Full Time Employee) RIFs and 172 at risk letters mailed. The Department will soon be cutting key engineering positions. He stated that there might be an impact to operations as well as the capital program. Commissioner Forner expressed concern about services that might be taken away from highway maintenance during the winter months. Secretary MacDonald commented that highways would continue to be maintained for the time being.

Bill Ford, Budget Chief, provided the Commission with a review of the Governor's budget proposal. Mr. Ford provided a handout that compared the Commission proposed operating and current law budget to the Governor's proposed budget and current law budget. The focus of the Governor's budget is fully funding preservation and maintenance with a shift away from the improvement program. The preservation program is responsible for repairing, paving, and striping state-owned highways, as well as restoring existing safety features, other facilities, rest areas and weigh stations. The Agency Council on Coordinated Transportation and the Commute Trip Reduction programs are proposed to be eliminated and the funds shifted to the Incident Response program. The Rail program funding would maintain current service levels.

Secretary MacDonald commented that the Governor's budget proposal is consistent with the Commission's budget proposal with a few changes.

MOVING FORWARD FROM THE OUTCOME OF REFERENDUM 51: THE STATE TRANSPORTATION BUDGET

Secretary MacDonald summarized his previous "Straight Talk" presentation indicating that transportation funding has not kept pace with demand and there can no longer be short-term solutions. Over the next 10 years, capital investment available for highway and ferry projects will go down, and the Department needs a plan that people will understand, to guide and communicate Washington's transportation priorities. The public is interested in learning more about accountability steps that the Commission and the Department have taken in the last 18 months. The growth in the state of Washington has outpaced transportation spending with increases in population, jobs, vehicle registrations, transit vanpool riders, ferry passengers and vehicle miles since 1980, but the state's capital investment in transportation has not kept pace. He reviewed the future of transportation funding with no new revenue, stating that current funds would go to highway preservation and the rehabilitation of bridges. Secretary MacDonald commented that he has met with several groups and local organizations to demonstrate the Department's accountability and performance measures. He commented that he has researched other states' legislative audits and found excellent examples of performance measures that the Department can utilize. Commissioner Niva concurred with the Commission and Department being pro-active on performance and accountability. Commissioner Barnes commended Secretary MacDonald on his "Straight Talk" presentation. He commented that the Gray Notebook and "Straight Talk" presentation should be distributed more broadly to local community groups in order for local communities to have a better understanding of performance measures and accountability, and the state of the transportation system. Secretary MacDonald commented that local projects are the best way to tell the accountability story to communities. He stated that the Department has an excellent record on project delivery. He provided the US 12 project as an example. The project received several bids, will be completed in several phases and has community support. The public does not understand that as a result of funding shortfalls that projects take longer to complete. This directly impacts the public's perspective on accountability and how the Department is spending the project funds.

Secretary MacDonald reviewed a letter received from Daniel Mathis, Division Administrator, Federal Highway Administration, regarding the Department's fiscal year 2002 performance in the use of federal-aid funds. The evaluation found that the Department has complied with federal laws and regulations in expending the federal-aid highway funds allocated to the state of Washington. Mr. Mathis commented that the Federal Highway Administration works with the Department to make certain that programs are efficient and that federal-aid and state funds are spent appropriately. Commissioner Barnes stated that the Legislature should receive a copy of the letter from the Federal Highway Administration. Commissioner Forner concurred with Commissioner Barnes and suggested that the Federal Highway Administration letter be distributed through a press release.

Linda Mullen, Communications Director, provided the "Straight Talk Lite" presentation to the Commission. She stated that the Department has compiled survey results from local community groups, and found that top priorities are highway maintenance, bridge retrofitting, and correction of high accident locations and corridors. The lowest priorities identified in the survey were increased highway capacity to ease and forestall gridlock. Existing funds should go to preservation, additional maintenance and highway safety, while new funding should go to congestion relief and highway safety. The Department is continuing to demonstrate accountability by visiting local community groups along with distributing the Gray Notebook and surveys. Commissioners commented that the public needs to be educated on the specifics of the 18th Amendment and where funds are spent. Commissioner Forner stated that drawing a distinction between the transportation budget revenue and the general fund budget revenue would help the public understand how transportation revenue is distributed.

Secretary MacDonald referred to a preliminary draft report that is being prepared for the Legislature. The draft report will outline transportation needs and priorities; what the resources are for meeting the needs; and what expectations can be offered to the public. The report will address the questions and criticisms that have been raised by the public and the Legislature. The idea is to create a vision in people's minds using real projects as examples of accountability. Secretary MacDonald stated that the preliminary report would be presented to the Commission at the January meeting.

Paula Hammond, Chief of Staff, reported that the Department is moving forward with downsizing and streamlining the agency appropriately to match the budget. The Department will provide a presentation regarding consolidations to the Commission at the January meeting. Commissioner Niva suggested that the Department look at which activities are required by statute as opposed to activities not required by statute, and make restructuring determinations based on that.

It was moved by Commissioner Marr, and seconded by Commissioner Barnes to approve resolution 641 presented to Representative Ruth Fisher, Legislative Transportation Committee Chair, celebrating her retirement from the Legislature, and recognizing her dedication and outstanding contribution to the citizens of the state of Washington's transportation needs. The motion passed unanimously.

Commissioner Barnes thanked Representative Fisher for her recognition of the Commission and her commitment to transportation. Commissioner Davis commented that Representative Fisher has been a significant leader in transportation and thanked her for her contribution to the Commission and attention to the state's transportation needs. Commissioner Marr extended his thanks to Representative Fisher for her commitment to transportation. Commissioner Maher commented that Representative Fisher will be

missed. Representative Fisher thanked the Commission. She commented that the public does not understand that the lack of transportation funding is as a result of Initiative 695 and Initiative 747. She stated that transportation will continue to suffer until the Legislature passes a revenue bill.

WASHINGTON STATE FERRIES OPERATING AND CAPITAL FUNDING PLAN 2003-2013

Mike Thorne, Chief Executive Officer, Washington State Ferries, presented an overview of the Washington State Ferries Capital Funding Plan for 2003 to the Commission for review. This plan contains a new chapter that supplements the existing "5+5+5" Business and Operating Plan presented earlier this year. The ferry system revenue earmarked in Referendum 51 would have provided funding for necessary preservation of ferries and new terminal construction. With these funds no longer available the focus is to provide essential services, maximize resources, fund capital needs, and insure long-term viability of the ferry system. The plan addresses the immediate capital funding need by prioritizing current services and implementing the plan in two phases. Phase-one implementation would be June 2003 through 2005 to modify current ferry service and liquidate several obsolete vessels. Phase-two, the long-range plan, would be implemented in 2005 through 2013, and would capture the revenue from the service changes in phase-one to purchase at least two (possibly three) new boats and the relocation of an existing terminal. Upon finalization the capital-funding plan will be presented to the Commission for approval and submitted to the Legislature for action. Mr. Thorne stated that the goal is to redirect capital dollars to build for the future and this requires tough decisions. The Commissioners expressed their opinion that the plan is a sustainable business plan.

It was moved by Commissioner Forner, and seconded by Commissioner Barnes to approve moving ahead with Building a Foundation for the Future for the Washington State Ferry Program. The motion was approved unanimously.

WASHINGTON STATE FERRIES 2003 TARIFF - FILING OF CR-101 FORM

Ray Deardorf, Planning Director, Washington State Ferries, presented a request to the Commission asking permission to move forward with filing of the CR - 101 form. The purpose of the filing is to open Washington State Ferries' tariff WAC 468-300-010, -020, -040 and -220 and WAC 468-300-700 for modification.

It was moved by Commissioner Niva, and seconded by Commissioner Forner to move forward with the filing of the CR 101 form to open the Washington State Ferries' tariff WAC 468-300-0101, -020, -040, -220 and WAC 468-300-700. The motion was approved unanimously.

CENTRAL PUGET SOUND FREEWAY HOV LANE HOURS OF OPERATION EVALUATION

John Conrad, Assistant Secretary, Engineering and Regional Operations Division, provided the Commission with revised cost estimates that were developed for implementing a pilot project that includes opening several HOV (high-occupancy vehicle) lanes to all traffic at night. This action came about as a result of the House Transportation Committee asking the Department to explore policies on hours of operation for HOV lanes on Puget Sound region freeways. To implement opening HOV lanes on I-405, SR 167, and portions of I-90 and SR 520 to all traffic during night-time hours would require safety enhancements and sign changes as well as an evaluation of the impact to traffic patterns. Charlie Howard, Director, Northwest Division Policy and Planning Office, provided an overview of the 2-year HOT (high-occupancy toll) lane pilot project proposal. In order to move forward with this proposal there will need to be public outreach, a financial analysis, funding sources identified and a design of the proposed HOT lanes. Mr. Howard indicated the Department will be soliciting public input regarding all of the Department's recommendations through January 9, 2003. The proposals will be presented to the Commission at the January regular meeting for action.

PUBLIC AND LEGISLATOR COMMENT PERIOD

Bob Distler, citizen, commented that Washington State Ferries is an integral part of the highway system. The service cuts proposal to the San Juan Islands is painful, but he feels that there is a way to make it work. He stated that he is supportive of the ferry systems capital plan and urged the Commission's approval.

Fred Chang, Chair, Bremerton Ferry Advisory Committee, stated that the Bremerton route will be impacted by the service cuts, but he as well agrees with the proposed capital plan.

David Hopkins, Transportation Manager, King County, representing Ron Sims, Chair, Sound Transit, commented on the proposed changes to the HOV lane hours of operation. He stated that King County's primary interest is to preserve HOV lanes for special event service. The Metro Bus network depends heavily on the system. He supports the changes in the HOV operating hours proposal, but would prefer 8 p.m. as the starting time rather than the proposed 7 p.m. allowance of SOV (single-occupancy vehicles) to the HOV lanes. He was pleased that I-5 was not included in the proposal because of congestion during peak periods. He asked that the Department and Commission assess the feasibility of increasing HOV occupancy standards along the I 5 corridor north of Seattle. King County is supportive of the Department's HOT lanes proposal and that the concept of pricing should be introduced into the network.

David Allen, Senior Transportation Manager, City of Seattle, Department of Transportation, representing Grace Crunican, Director, City of Seattle, Department of Transportation, stated the City of Seattle's position regarding the HOV lanes proposal. The

City would support the concept of managing the HOV lanes if there would be a direct move from HOV lanes 24/7 to HOT lanes. The concern is if the HOV lanes open to general-purpose traffic it will be difficult to come back and request usage fees for HOT lanes. Secondly, there are concerns that the change would affect the reliability of transit service and access ramps.

Lloyd Flem, citizen, commented that he supports the concept of HOT lanes and market pricing to allocate urban street space. Mr. Flem stated that he feels the concept will improve mobility for Washington residents.

Dave Enslow, citizen, commented that he encourages the opening of HOV lanes if it can be accomplished without impeding high-occupancy use of the lanes. He stated that he does not approve of the idea of HOT lanes.

Bruce Nurse, Vice President, Kemper Development Company, expressed his support of HOV lanes hours of operation, but the hours of operation should be limited to 6 a.m. to 9 a.m. and 3 p.m. to 6 p.m., with no HOV operations on weekends. He feels that the hours change would be an opportunity to do the quickest, cheapest, improvement to safety and capacity on major freeway networks, and should be implemented immediately.

Chris Rose, Administrator, read a letter from King Cushman, Regional Strategy Advisor, Puget Sound Regional Council, directed to Commissioner Davis. Mr. Cushman expressed the PSRC's appreciation for the extensive technical work that the Department performed to study the HOV lanes hours of operation. He stated that the regional transportation plan, Destination 2030, includes a policy advocating that the region pursue development of a project by 2006 that could demonstrate the concept of transportation pricing on the region's highway system. The Department's proposal to change the hours of operation of HOV lanes and the development of HOT lanes or managed lanes would be consistent with the region's 2030 plan. The Council would welcome the opportunity to work with the Department and the Commission.

Commissioner Niva commented that it should be made clear that the HOV lanes hours of operation can be adjusted in the future based on data.

Randy Hain, Administrator, Olympic Region, briefed the Commission on the proposed building of a graving dock at the Port of Port Angeles. The graving dock would be used to build the Hood Canal Bridge pontoons and anchors. The Port of Port Angeles is willing to begin negotiations with the Department for the site of the graving dock.

Larry Williams, Member, Port Angeles City Council, expressed his thanks to the Department and the Commission for the work that is being performed on the Hood Canal Bridge. He thanked the Department for taking the time to tour Port Angeles as the possible location of the graving dock. He introduced John Brewer, President, Port Angeles Chamber of Commerce and editor/publisher of the Peninsula Daily News; Mike Doherty, Chairman, Clallam County Commission; Lynn Byle, Commissioner, Port of Port Angeles; Karen

Rogers, Council Member; Jim Hagwood, Executive Director, Clallam County Economic Development Council, and Tim Smith, Director, Economic Development, City of Port Angeles. Mr. Williams explained that choosing the Port Angeles location would benefit the local economy by providing employment opportunities in the rural region. The benefits to the Department would be a larger graving dock and long-term access to facilities for floating bridge construction, with possible use by the ferry system.

Lynn Byle expressed his thanks to the Department for considering Port Angeles as the possible site for the graving dock site. He stated that he would like to commend Randy Hain, Administrator, Olympic Region, for working with the local community and his presentation on the graving dock proposal. Mr. Byle commented that this proposal would benefit both the local community and the Department.

Mike Doherty thanked the Commission for taking the time to hear comments. He stated that the graving dock would be valuable to the local community as well as the Department. Mr. Doherty offered any assistance necessary for the county to move forward with the proposal.

Jim Hagwood commented that the installation of the graving dock in Clallam County would improve the county's average wage.

Commissioner Davis thanked the speakers for the community support with this proposal.

APPROVAL OF MINUTES

It was moved by Commissioner Maher, and seconded by Commissioner Niva, to approve the minutes of the November 7, 2002 and November 14 & 15, 2002 Commission meetings. The motion was approved unanimously.

COMMISSION ADMINISTRATOR REPORT

Chris Rose, Administrator, presented a draft of the Commission's regular and local meeting schedule for 2003 for comment. He also reviewed the Governor's budget proposal for the Commission. He explained that the Office of Financial Management's performance assessment recommended that the Commission Office name an internal control officer.

It was moved by Commissioner Niva, and seconded by Commissioner Maher to name Chris Rose as the internal control officer for the Commission. The motion was approved unanimously.

COMMISSIONER REPORTS

Commissioner Maher reported that she attended light rail meetings in Spokane. She has also been working with a couple of short-line railroads to determine if they will continue

to operate. She also attended the Benton /Franklin/Walla Walla Regional Transportation Planning Organization meeting in Walla Walla.

Commissioner Forner reported that she attended the recent Agency Council on Coordinated Transportation meeting. Also, she attended the Wenatchee Metropolitan Planning Organization meeting.

Commissioner Marr reported that he attended the Good Roads Association meeting. He stated that he met with Senator Patty Murray to discuss transportation issues. Also, he is working with a group on a TEA21 federal enhancement project in Spokane.

Commissioner Niva reported on her involvement with the Alaskan Way Viaduct plans. She expressed her concerns about safety issues surrounding the Viaduct in the event of seismic activity. She attended a meeting of the former members of the Blue Ribbon Commission to discuss where the Department and Commission need to go as a result of the outcome of Referendum 51.

Commissioner Barnes reported that he has been involved with regional transportation meetings in the Southwest Washington area. He attended the Impaired Driver Safety Conference where he found that there was a lot of good information provided on the Buckle-Up Safety Program. He attended the WSDOT Airport Advisory Committee meeting where he found interesting information on economic development. He also attended the Women in Transportation Seminar meeting in Portland, Oregon.

PALOUSE COUNTRY SCENIC BYWAY PROPOSED DESIGNATION

Judy Lorenzo, Branch Manager, Rural Community Partnerships, presented the Palouse Country Scenic Byway designation proposal. Ms. Lorenzo introduced Michelle Poesy, Pullman Chamber of Commerce. She also introduced staff support from the Department's Eastern Region, and representatives from the Department of Community Trade & Economic Development who assisted with preparation of the proposal. The purpose of the presentation is to ask the Commission to adopt a resolution granting the request of the Palouse Country Byway Organization and communities in Whitman County to designate 160 miles of state highways as state designated scenic byways. The 160 miles is a collective group of roadway segments on SR 195, SR 26, SR 27 and SR 271 in Whitman County. This is the first request to designate a byway that contains more than one roadway. The route has a substantial number of scenic and heritage resources that support the telling of the byway story. The project staff has determined that the route has adequate diversity, availability and distribution of traveler services, and the potential to be marketed as a tourist destination. The byway has demonstrated strong local support for designation by community members, elected officials, businesses and agencies. The Washington State Route Designation Panel concurred that a recommendation be forwarded to the Commission with the understanding that Palouse County leaders recognize the benefit to all parties, and that they commit to enhance to their efforts by including the tribes as partners and members of the byway organization.

It was moved by Commissioner Barnes, and seconded by Commissioner Maher to approve resolution 642 designating portions of SR 195, SR 27, SR 26 and SR 271 within Whitman County as the Palouse Country Scenic Byway. The motion was approved unanimously.

Commissioner Barnes presented Don Wagner, Administrator, Southwest Region, and the Department with the 2002 Project of the Year award from the Women's Transportation Seminar, Portland, Oregon. The award reflects the Department's Southwest Region's work on the Portland/Vancouver I-5 Transportation and Trade Partnership.

The Commission meeting adjourned at 10:45 a.m. on December 19, 2002.